



General Assembly

***Substitute Bill No. 5465***

*January Session, 2001*

***AN ACT CONCERNING ECONOMIC DEVELOPMENT AND  
REVITALIZATION IN SMALL MUNICIPALITIES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (NEW) (a) As used in this act:

2       (1) "Eligible project" means a capital project identified in the plan  
3       prepared pursuant to subsection (b) of this section that supports the  
4       economic development and revitalization of the municipality,  
5       including, but not limited to, infrastructure projects that promote  
6       public access and improve façades and streetscapes and projects that  
7       develop and exhibit cultural assets;

8       (2) "Eligible program" means a revolving loan program providing  
9       fixed asset and working capital loans and micro-loans to businesses  
10      and individuals for activities consistent with the plan prepared  
11      pursuant to subsection (b) of this section; and

12      (3) "Eligible municipality" means a municipality with a population  
13      of less than thirty-five thousand, as determined by 1999 population  
14      estimates of the Department of Public Health, that (A) is on the list of  
15      municipalities that satisfy affordable housing criteria prepared by the  
16      Commissioner of Economic and Community Development pursuant to  
17      section 8-39g of the general statutes; and (B) is a targeted investment  
18      community, as defined in section 32-222 of the general statutes, public  
19      investment community, as defined in section 7-545 of the general

20 statutes, or a distressed community, as defined in section 32-9p of the  
21 general statutes.

22 (b) The Commissioner of Economic and Community Development  
23 shall administer a program of grants to eligible municipalities for  
24 economic development and revitalization. Grants may be used by  
25 municipalities for eligible projects identified in an economic  
26 development and revitalization plan which has been approved by  
27 resolution of the legislative body of the municipality.

28 (c) Municipalities may submit an application in the form and  
29 manner prescribed by the commissioner.

30 (d) Grants awarded under this section shall not be used for (1)  
31 housing, (2) infrastructure projects not related to economic  
32 development or revitalization, or (3) administrative expenses.

33 (e) A municipality receiving a grant under this section shall  
34 annually review and revise, if necessary, the plan prepared pursuant  
35 to subsection (b) of this section and shall submit a report on such  
36 review and any revision to the commissioner.

37 (f) The Commissioner of Economic and Community Development  
38 shall adopt regulations, in accordance with chapter 54 of the general  
39 statutes, for the administration of this section, including the  
40 establishment of priorities, eligibility of types of projects and activities,  
41 funding limitations and the application process.

42 Sec. 2. (NEW) The legislative body of a municipality, by resolution,  
43 may establish an economic development and revitalization revolving  
44 loan fund. Grants received by the municipality under section 1 of this  
45 act may be deposited in such fund. Loans may be made from such  
46 fund to businesses and individuals for working capital and fixed assets  
47 and for micro-loans for eligible projects and eligible programs. The  
48 municipality may enter into a contract with an entity to administer the  
49 loans.

50       Sec. 3. (a) For the purposes described in subsection (b) of this  
51 section, the State Bond Commission shall have the power, from time to  
52 time, to authorize the issuance of bonds of the state in one or more  
53 series and in principal amounts not exceeding in the aggregate twenty  
54 million dollars.

55       (b) The proceeds of the sale of said bonds, to the extent of the  
56 amount stated in subsection (a) of this section, shall be used by the  
57 Department of Economic and Community Development for the  
58 purpose of grants pursuant to section 1 of this act.

59       (c) All provisions of section 3-20 of the general statutes, or the  
60 exercise of any right or power granted thereby, which are not  
61 inconsistent with the provisions of this section are hereby adopted and  
62 shall apply to all bonds authorized by the State Bond Commission  
63 pursuant to this section, and temporary notes in anticipation of the  
64 money to be derived from the sale of any such bonds so authorized  
65 may be issued in accordance with said section 3-20 and from time to  
66 time renewed. Such bonds shall mature at such time or times not  
67 exceeding twenty years from their respective dates as may be provided  
68 in or pursuant to the resolution or resolutions of the State Bond  
69 Commission authorizing such bonds. None of said bonds shall be  
70 authorized except upon a finding by the State Bond Commission that  
71 there has been filed with it a request for such authorization which is  
72 signed by or on behalf of the Secretary of the Office of Policy and  
73 Management and states such terms and conditions as said commission,  
74 in its discretion, may require. Said bonds issued pursuant to this  
75 section shall be general obligations of the state and the full faith and  
76 credit of the state of Connecticut are pledged for the payment of the  
77 principal of and interest on said bonds as the same become due, and  
78 accordingly and as part of the contract of the state with the holders of  
79 said bonds, appropriation of all amounts necessary for punctual  
80 payment of such principal and interest is hereby made, and the State  
81 Treasurer shall pay such principal and interest as the same become  
82 due.

83       Sec. 4. (NEW) There is established a partnership between the state  
84 and the town of Windham and a partnership between the state and the  
85 city of Torrington for the joint funding by the state and the town of  
86 Windham of economic development and urban revitalization projects  
87 identified in the feasibility plan prepared under section 5 of this act for  
88 the town of Windham and for the joint funding by the state and the  
89 city of Torrington of economic development and urban revitalization  
90 projects identified in the feasibility plan prepared under section 5 of  
91 this act for the city of Torrington.

92       Sec. 5. (NEW) (a) The Commissioner of Economic and Community  
93 Development shall administer a pilot program for the economic  
94 development and urban revitalization of the town of Windham and  
95 the city of Torrington. The chief elected official of the town of  
96 Windham and the city of Torrington, with the approval of the  
97 legislative body of said town and city, shall enter into a memorandum  
98 of understanding with the commissioner that establishes a planning  
99 and implementation process for the pilot program with components  
100 for (1) development of goals that include participation of relevant  
101 stakeholders, and (2) the submission of progress reports to the  
102 commissioner. The town of Windham and the city of Torrington shall  
103 each submit to the commissioner a feasibility and design plan,  
104 prepared in accordance with the process. The feasibility and design  
105 plan shall identify specific proposed economic development projects  
106 and contain a schedule and budget for implementation. Upon  
107 approval of the feasibility plan, the town of Windham and the city of  
108 Torrington shall be eligible for financial assistance pursuant to section  
109 6 of this act.

110       (b) On or before July 1, 2002, and annually thereafter until the  
111 completion of the pilot program, the commissioner shall submit a  
112 report on the pilot program to the joint standing committee of the  
113 General Assembly having cognizance of matters relating to commerce.

114       Sec. 6. (NEW) The Department of Economic and Community  
115 Development and the Connecticut Development Authority may

116 provide financial assistance to the town of Windham and the city of  
117 Torrington for economic development projects identified in the  
118 feasibility plan prepared by said town and said city pursuant to section  
119 5 of this act. Such financial assistance may be provided in the form of  
120 grants, loans, loan guarantees, contracts of insurance, investments, or  
121 combinations thereof, which are provided from the proceeds of bonds,  
122 notes or other obligations of the state. Financial assistance may be  
123 provided under any provision of the general statutes or special act. In  
124 providing financial assistance under any provision of the general  
125 statutes or special acts, the Department of Economic and Community  
126 Development and the Connecticut Development Authority may give  
127 priority to projects identified in the feasibility plans prepared by the  
128 town of Windham and the city of Torrington pursuant to section 5 of  
129 this act.

130       Sec. 7. The Connecticut Development Authority may issue tax  
131 incremental bonds on behalf of the town of Windham and the city of  
132 Torrington in accordance with the provisions of section 8-134 of the  
133 general statutes except that any project financed pursuant to said  
134 section 8-134 shall not be required to be located in a redevelopment  
135 area if such project is identified in the feasibility plan prepared by said  
136 town and said city pursuant to section 5 of this act.

137       Sec. 8. (NEW) The Department of Economic and Community  
138 Development shall provide grants to municipalities for consultants for  
139 economic development planning, marketing and implementation of  
140 projects. Two or more municipalities joining together to plan for  
141 regional economic development shall be eligible for a grant under this  
142 section.

143       Sec. 9. The sum of two million dollars is appropriated to the  
144 Department of Economic and Community Development, from the  
145 General Fund, for the fiscal year ending June 30, 2002, for a grant to the  
146 town of Windham and the city of Torrington to prepare the feasibility  
147 and design plan required pursuant to section 5 of this act.  
148 Notwithstanding the provisions of this section, the Department of

149 Economic and Community Development may disburse planning  
150 money to the town of Windham and the city of Torrington from funds  
151 currently available to the department for such purpose.

152 Sec. 10. This act shall take effect July 1, 2001.

**CE**

**JOINT FAVORABLE SUBST. C/R**

**FIN**